

## **SECTION 6**

### **THE COUNCIL'S APPROACH TO EFFICIENCY IMPROVEMENT**

The Government is expecting to make an overall efficiency saving of 2% through Best Value nationally. Guildford Borough is contributing to this process through a systematic approach to our service review using a combination of various performance indicators intended to improve efficiency, reduce costs where possible and to maintain and improve the quality of services provided.

This approach to efficiency saving is not new to Guildford. In the last decade, the Council has achieved a great deal in terms of identifying cost savings and striving to achieve continuous improvement. During 1992, the Government introduced restrictions on public spending and effectively capped Council budgets by introducing Statutory Spending Assessment (SSA) levels. In response a tough regime on spending had to be introduced and the Council established a joint member/officer working party to consider both Strategic and Financial Planning.

In the group's first year of operation the Council was faced with extensive budgetary reductions and had to identify ways in which this could be achieved without any reduction in service to the public. Across the board, all service managers were tasked with rigorously examining the aims and objectives of their services, the resources employed and of course, the outputs. The overriding aim was to seek a reduction to the costs of all direct service budgets by 5% and a reduction in support service costs of 10%. Although some very difficult measures had to be taken, the objective was achieved without any detriment to existing services.

This group achieved significant gains for the Council in terms of positive financial and strategic planning. It was from here that the Council developed and eventually set its first range of strategic priorities, referred to earlier in this report.

When Best Value was first put forward by the Government in 1998, this Council took a decision to move forward in a way which would build upon these earlier achievements. Best Value has been approached methodically, systematically and efficiently, and has had a direct impact upon every service.

As a result of this strict efficiency-based approach, the Council's overall spending had been increased by only 11.3% between 1993/2001. Over the same period, inflation has risen by nearly 28%, i.e. the Council has kept spending to 16.7% below inflation over the last 8 years.

However, efficiency saving is not simply about reducing cost. Often, the direct result of engaging the community in service planning is to expand services. A recent example of this relates to recycling, where the clear-cut public response to consultation was that the

Council should extend the kerbside recycling service to the whole Borough at an anticipated additional cost of £150,000 this year. This is an instance where the public are quite prepared to pay additional money for new and better services.

Other efficiency savings related to improved services and increased productivity whilst containing costs. The Council's efficiency improvements have therefore been obtained by increased service delivery at no additional cost. This was achieved in relation to each of the six services piloted by the Council in the first year, and this approach has been extended to the Council's overall approach to performance management and budgetary control. As will be seen in Section 5, the Council has developed a rigorous performance monitoring system measured against the Government's nationally-based Best Value Performance Indicators. There are over 100 of these.

In May last year the Council created an Audit Committee of Councillors, who as part of their responsibility, carry out a detailed monitoring exercise of the Council's performance against national performance indicators each quarter. Any services showing potential difficulties or a trend in under-performance are referred to the appropriate Committee responsible for the Best Value review of the relevant service for action. There have been 3 such cases during the past year. Details of these and the remedial action taken to improve performance are set out in Section 5.

The aim set by government is for local authorities to be in the top 25% in terms of both quality and cost. By March 2001 (the end of the first year of operation), the Council has achieved top-quartile performance in over 66% of the Government's performance indicators. Our plan of action for next year should achieve a further 15%, so that by 2002 over 80% will be achieving top-quartile performance.